

Pioneer Medical Center (PMC) is a 25 bed critical access hospital and a 35 bed nursing home. The PMC also includes a rural health clinic, hospice, ambulance service, public health and assisted living facility. The medical center has over 15,000 patient visits annually.

Pioneer Medical Center is owned by Sweet Grass County and is the only medical facility in the county. The viability of Sweet Grass County's health infrastructure and services largely depends on the success of Pioneer Medical Center.

The facility's success is also of utmost importance to the economic stability of the county. Although Sweet Grass County is full of diverse employment opportunities from government, mining, agricultural, retail, service, construction and manufacturing jobs; it is sensitive to employment changes from its larger employers such as the Stillwater Mining Company and Pioneer Medical Center.

The total economic impact attributable to PMC operations is estimated at more than \$8.5 million dollars. PMC is the second largest employer in Sweet Grass County. It is also estimated that local spending by the PMC accounts for an additional 25-30 jobs in the local economy.

A recent report from the Montana Department of Labor and Industry stated that health services employment in Sweet Grass County "is about one and a half times as high as one would expect given statewide employment patterns" and 1.79 times as one would expect given national statewide employment trends. Given the small population of Sweet Grass County, the county's economy is very sensitive to changes in Pioneer Medical Center employment.

This was confirmed in a 2009 survey by the Montana Office of Rural Health which found that nearly 95% of Sweet Grass County residents surveyed felt that local health care services are very important or important to the economic well-being of the area.

Like all frontier hospitals, we are financially very vulnerable. Both private and public funding streams are extremely important for the continued operations of the medical center, but Medicaid, which covers nearly 70 percent of PMC's long-term care patients, is especially critical.

Any wholesale reductions to the Medicaid program would compromise the viability of the medical center and the employment of 150 people.

A second financial challenge is access to capital. Like many rural facilities, our facility operates on such a tight margin that we cannot save the money we need to make needed repairs. And we are such a small player in the financial markets that typical sources of capital are not available to us.

I encourage the Legislature to consider creating a revolving fund that could provide low-interest loans for critical access hospitals for just this purpose. One way to achieve this would be to set aside the interest from a portion of the coal tax trust fund.

The Pioneer Medical Center, like many other rural healthcare organizations, is already fragile. Due to the economic recession and decreased volumes in early 2009 the PMC reduced its workforce by nearly 10 FTEs in order to decrease its expenses. During the same year, county residents supported the medical center with double the tax support to help maintain operations. Maintaining Medicaid funding levels is necessary to support rural healthcare organizations and their economic contributions.

Rural healthcare organizations are also major suppliers of local workforce development programs. The PMC offers a Certified Nursing Assistant Training Program to provide local residents the necessary training to qualify for CNA employment. Likewise, the PMC holds courses to become an Emergency Medical Technician and provides opportunities for existing employees to move up in positions or salary through training and education.

Adequate Medicaid funding and access to capital financing are essential to maintain rural healthcare infrastructure and support economic stability in rural areas.